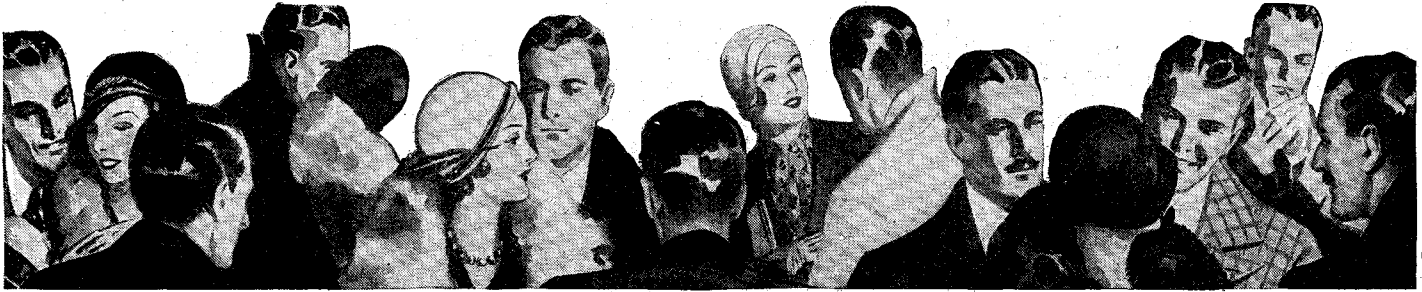




THE OPEN DOOR

OUTLOOK

and Independent



➤➤ Trend of the Week ◀◀

➤➤ *Punctured Pact*

TRY AS ONE MAY, one cannot reconcile Japan's war in Manchuria with her signature of the Kellogg pact. The Kellogg pact, it will be recalled, is the treaty under which the nations—Japan among them—pledged themselves to renounce war as an instrument of national policy and to seek the settlement of all disputes by pacific means. It transpires that Japan's pledge was not worth a penny. Dissatisfied with pacific means, she violated her promise and resorted to force to settle her problems in Manchuria, Chinese territory which, in part, has long been coveted, colonized and controlled by Japan and in which she has heavy investments as well as military garrisons along the important South Manchurian Railway.

The difficulties in Manchuria involved charges and counter-charges centering around the execution of a Japanese officer by Chinese soldiers and the alleged attempt by Chinese troops to destroy a railroad bridge guarded by Japanese troops. But the thing that sticks out of all this is that Japan has abandoned pacific means of effecting a settlement in favor of major military operations on foreign soil. There was no thought of the Kellogg peace pact as the Japanese soldiers seized and occupied one Manchurian town after another and began mobilizing troops in Korea to the east and ships around Port Arthur. Whatever explanations may be offered, skirmishes, bombardments and military occupations cannot be squared with a pledge to settle disputes pacifically. Nor is it any excuse to say that the warfare in Manchuria is being waged by the Japanese army without the approval of the Japanese Foreign Office. Whoever is directing it, the

Japanese government is certainly responsible.

Two years ago, the futility of the Kellogg pact was indicated by an outbreak of hostilities between China and Russia. It is now indicated again by the Japanese military operations in Manchuria. The unhappy fact is that as a practical means of preventing war the pact in its present form is not worth the paper it is written on.

➤➤ *Hoover's Bold Stroke*

PRESIDENT HOOVER has just delivered the most courageous stroke of his Presidential life. His address before the American Legion convention comprised a polite but quite plain warning against further bonus legislation. In effect he told the veterans not to spoil their war record completely by making another raid on the treasury. It was his intention to nip cash-the-bonus project in the bud. Whether or not he has done so, he has certainly created a good deal of public feeling against this projected grab.

A course less bold would have been disastrous. Ever since the greedy elements among the veterans succeeded in wringing nearly a billion dollars in loans from the last Congress they have had designs on the Congress meeting this December. Regardless of the appalling deficits at Washington they now want their bonus certificates cashed in full, at a cost of \$2,400,000,000. With Con-

gressmen fearful lest the legionaires knife them on election day, a policy of watchful waiting in the White House would have given bonus enthusiasts excellent chances to pass their bill and then, if Mr. Hoover vetoed it, to pass it over his veto. As we recently suggested, Mr. Hoover's proper course lay in carrying his case to the country before the bonus movement got well under way. That is what he has done and we are delighted to commend him for it. He has started early and, for all his delicate phrasing, has struck hard. It is hoped that the public sentiment created by his speech and action will make Congress think twice before burdening the country with further indefensible bonus legislation.

➤➤ *Off the Gold Standard*

THE DECISION of the British government to suspend that section of the gold standard act of 1925 requiring the Bank of England to redeem pound notes in gold at a fixed price—in other words, the decision to abandon the gold standard—will probably injure the United States very little. Americans hold but a comparatively small amount of British government securities payable in pounds. Hence, unlike British investors holding obligations of their government amounting to billions of dollars, they will not be hard hit if the pound is finally pegged at a lower level than that maintained since Britain returned to the gold standard, in April, 1925. Our export trade to Britain will, however, be injured to some extent.

While the burden of Britain's new financial policy will fall on all classes, it will fall primarily on the upper class and the middle class. The decline in the value of the pound will be as great a

